



WASHINGTON, D.C. 20220

August 21, 1981

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

ATTENTION: FINANCIAL MANAGERS

SUBJECT : PAYMENTS TO AIRLINES

Secretary of Transportation Lewis has indicated that the Federal Government appears to owe substantial sums to all the airlines that provide it with air passenger and cargo services. For example, one airline believes that it is owed over \$26 million, of which at least several hundred thousand dollars has been outstanding for more than one year.

We believe that these delays are occurring at the Department and agency levels in processing the paperwork required to authorize the Treasury to make payment. These delays create financial burdens and cash management difficulties for all our vendors, but particularly for the airlines that are beset by a number of problems at present.

To alleviate this strain, you are asked to make sure that you are in compliance with Treasury regulations that require that payments to contractors be made when due (Treasury Fiscal Requirements Manual: I-TFRM 6-8000). You are asked to give particular immediate attention to airline payments, to ensure that these are made when due. //

Your assurance of promptness in the payment of Government bills will contribute to our ongoing efforts both to improve our cash management and to ensure that we are not unfairly burdening the suppliers on whom we depend.

R. T. McNamar
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